

VZCZCXRO0129

PP RUEHAG RUEHAST RUEHBC RUEHDA RUEHDE RUEHDF RUEHDIR RUEHFL RUEHHM
RUEHIHL RUEHIK RUEHKUK RUEHKW RUEHLA RUEHLN RUEHLZ RUEHPOD RUEHPW
RUEHROV RUEHSR RUEHVK RUEHYG
DE RUEHIT #0538/01 2940958
ZNR UUUUU ZZH
P 200958Z OCT 08 ZDK DUE TO NUMEROUS SVCS
FM AMCONSUL ISTANBUL
TO RUEHC/SECSTATE WASHDC PRIORITY 8518
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUCNDMI/HUMANITARIAN DEMINING COLLECTIVE
RUCNIRA/IRAN COLLECTIVE
RUCNRAQ/IRAQ COLLECTIVE
RUEHGB/AMEMBASSY BAGHDAD 0083
RUEAIIA/CIA WASHDC
RUEKJCS/DIA WASHDC
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK
RUEPGAB/MNF-I C2X BAGHDAD IZ
RHEHNSC/NSC WASHDC
RUEUITH/ODC ANKARA TU
RUEKJCS/SECDEF WASHDC
RHEHAAA/WHITE HOUSE WASHDC

UNCLAS SECTION 01 OF 02 ISTANBUL 000538

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [ECON](#) [ENRG](#) [IR](#) [IZ](#) [PGOV](#) [PREF](#) [PREL](#) [TU](#)

SUBJECT: IRAN PRESSES FOR GREATER ENERGY COOPERATION WITH
IRAQ AT ISTANBUL MEETING

REF: A. 07 ISTANBUL 1015

[1](#)B. 07 BAGHDAD 3817

[1](#)C. BAGHDAD 94

[1](#)D. ANKARA 1754

ISTANBUL 00000538 001.2 OF 002

[1](#)1. (SBU) Summary. At an Iraq Neighbor's Process Energy Working Group (WG) meeting in Istanbul on October 11, Iranian Secretary of the Iran-Iraq Economic Development Headquarters Hassan Danaeifard said that Iran is eager to help Iraq "overcome its current obstacles." (Non-Iranian issues discussed at the WG reported septel.) Danaeifard told the WG representatives Iran has contributed greatly to Iraq's reconstruction and plans to continue assistance through the international "Said Sharm al-Shaikh" process. Danaeifard said Iran plans to provide up to 1320 Megawatts of electricity to Iraq, and detailed Iran's provision in 2007 of 243,028 tons of fuel oil, 256,565 tons of kerosene, and 4,206 tons of tar. He also mentioned medical and other assistance Iran is provided to Iraqi refugees. End summary.

Iranian Energy Exports to Iraq

[1](#)2. (SBU) Danaeifard detailed Iran's current and future energy assistance toward Iraq, which will include up to 1,320 Megawatts (MW) of electrical generation. Currently, 550 MW of electricity is being sent via tie-line from four locations in Iran: 1) Shalamche-Basra (300 Mw), 2) Sar pole zahab Khaneqeyn (200 Mw), 3) Piranshahr region (10 Mw), and the 4) Panjwein region (40 Mw). Three additional routes are being developed, from 1) Kermanshah-Dyaleh (400 Mw), 2) Paveh-Seyed Sadeq (150 Mw), and 3) Mahabad-Soran (100 Mw).

[1](#)3. (SBU) Danaeifard said Iran also provided Iraq with vast amounts of refined petroleum products. According to his statistics, Iran exported 243,028 tons of fuel oil, 256,565 tons of kerosene, and 4,206 tons of tar to Iraq in 2007 through the Khosravi, Mehran, and Pavizkhan border crossings. Surprisingly, Danaeifard offered no update on the status of Iran's proposal to build a pipeline from Basra to Iran's Abadan refinery. Falah Al-Amiri, the Iraqi Director General

of SOMO appreciated these fuel shipments to Iraq; however he said Iran needs to increase these exports. Iran has only provided half of its contractual amounts of kerosene (ref B), and Al-Amiri "urged" Iran to fulfill its obligation.

Other Iranian Assistance to Iraq

¶4. (SBU) Iran has also committed 1 billion USD in loans to Iraq with minimum interest rates to develop Iraq's infrastructure, according to Danaeifard (ref C). In addition Danaeifard said Iran has already built medical clinics in Baghdad, Najaf, and Sadr City, and is nearly half way through building a hospital in Najaf. Furthermore, he said Iraq and Iran signed an agreement for Iran to build 22 schools in Iraq, and the Khoramshahr - Shalamche rail project is expected to open by the end of 2008. Danaeifard boasted Iran provided over 8,000 truckloads of humanitarian donations to Iraq over the last four years. This could increase to 2,500 trucks a day if Iraq opens its border and relaxes customs and visa requirements, according to Danaeifard.

¶5. (SBU) Danaeifard claimed 62,590 Iraqis -- over 30,000 from Baghdad alone -- entered Iran as refugees since 2004 due to poor security conditions in Iraq, and, "due to security issues and reasons at home," they do not intend to return to Iraq. Danaeifard, also said 9,600 Iraqis came to Iran seeking serious long-term medical attention for conditions such as for cardio-vascular or respiratory problems. Iran also cares for 13,500 Iraqis injured by violence, according to Danaeifard.

Demining

ISTANBUL 00000538 002.3 OF 002

¶6. (SBU) Danaeifard called on Iraq to demine the Shalamche region, especially a 25 km long border area near the border town of Shalamche in Iran's south-western Khuzestan province that extends 200 meters into Iraq. (Comment: Shalamche's minefields remain a dangerous legacy of the 1980-88 Iran-Iraq war, and still cause occasional mine-related injuries and deaths, according to Iranian press reporting. The region is also near a number of Iran's oilfields. End Comment.) Danaeifard stated Iran is ready to provide assistance to demine the remaining minefields in that area of Iraq.

Comment

¶7. (SBU) Danaeifard clearly intended for his presentation to underscore Iran's recurring claim that it, among Iraq's neighbors, is taking the most significant steps to help provide needed energy supplies, and other humanitarian goods and services, to Iraq. "Iran seeks to solve the obstacles Iraq is facing. We have undertaken these significant measures to help our brothers." The Iraqi delegation replied that "Brothers need to fulfill their obligations" casting some skepticism on Danaeifard's remarks.

WIENER